

COMMISSION MEETING MINUTES  
March 13, 2002

COMMISSION MEMBERS PRESENT:

Steven Campbell  
Amy Clem  
Mike Kennedy  
Sylvia Kiel  
Ralph Komasinski  
Betty Martin  
Katherine Startin

COMMISSION MEMBERS ABSENT:

Alfonso Lerma, Jr.  
Peggi Little  
Dr. J. Douglas Nelson

Chairman Kiel called the meeting to order at 1:00 p.m. The meeting was held in the Education Center at Martin University, Indianapolis, Indiana.

Chairman Sylvia Kiel thanked Father Boniface Hardin, President of Martin University, for the tour of the facility and expressed appreciation of Edward Detamore's efforts.

Secretary Mike Kennedy announced that a quorum of the Commission members were in attendance. A motion was made and unanimously approved to accept the minutes of the Commission meeting of November 14, 2001.

The Chairman announced that we have a new commission member, Peggi Little, who will represent the Sixth Congressional District but was not able to be present today.

Chairman Kiel called on Mr. David Perlini to give his Executive Director's report. Mr. Perlini reviewed the status of legislative discussions on both tax restructuring and current budget shortfalls.

Mr. Perlini said the importance of the restructuring discussions as regards SSACI is that they will lay the foundation for what revenues the state can expect to receive in the next biennium, for which the agency will be constructing a budget beginning this summer. He commented that the outcome of the budget shortfall discussions will more immediately affect the second half of SSACI's current biennium budget, which encompasses the upcoming 2002-2003 school year. Mr. Perlini noted that there is a significant shortfall in state revenues from what had been anticipated when the state's current budget was formulated last year. He said that if the legislature doesn't take any action to address the budget issue, then the state budget shortfall would be upwards of \$800 million. If action is taken by the General Assembly to enhance state revenues, they still may not fix the state's budget shortfall entirely, which means some cuts may still have to be made.

Mr. Perlini stated that if this turns out to be the case, then the difference would have to come out of the remaining one year's state expenditures. He said that in this case, the Governor's office would be looking at each state agency and quasi agency to determine how those cuts are going to be addressed. Mr. Perlini noted that the Governor has already cut almost \$500 million from the state budget and of that amount only \$473,000 was cut from SSACI's budget. SSACI decided to focus those cuts on the Part-time Grant program because it had more funding available than the agency anticipated, thus SSACI can absorb the \$473,000 cut without any immediate and direct impact on the students who are currently going to school.

Mr. Perlini said that if much more substantial cuts have to be made beyond our reserve capacity, the Commission will need to look at how the agency allocates funds (the actual award methodologies that we use) in order to make those cuts equitable. Mr. Perlini stated that even after the legislature adjourns as scheduled on March 14, that he believes that the status of the agency's budget will remain uncertain several weeks until the Governor's office makes potentially difficult budget-related decisions. Mr. Perlini said we should be in a position to take action to address the problem at the next Commission meeting.

Mr. Perlini mentioned the National Governor's Association (NGA) has been looking at the Twenty-first Century Scholars program and has decided to showcase it as a "best practice" program in the areas of government attempts to increase accessibility and affordability for students. He said the NGA will be hosting a meeting in Indianapolis on June 3 and 4 and invited participation of senior education policy makers from six states to consider how to improve accessibility and affordability programs.

Chairman Kiel invited Mr. Obergfell to give the Grant Division's report. Mr. Obergfell stated that the agency is processing the FAFSA data for the 2002-2003 academic year and that SSACI will be sending out letters to students soon intended to inform students of application errors.

The Chairman called on Pat Moss to give the Twenty-first Century Scholars report citing affirmations that should top 4,000 and enrollments of 6,000 seventh and eighth grades so far this year. Allowing for the new application requirements and the added grade level recruitment, the program is slightly ahead of pace compared to last year at this time.

Chairman Kiel then called on Mr. Nick Vesper to present R-3.2002.1 regarding the 2002-2003 HEA/FOC schedule of approved tuition and fees. Mr. Vesper referenced the proposed tuition and fees schedule that was included in the Commission member's agenda packet. Chairman Kiel asked Commissioner Amy Clem to read the following resolution:

Be it resolved that the State Student Assistance Commission of Indiana hereby approves the Schedule of Approved Tuition and Fees for the 2002-2003 HEA/FOC awards.

Chairman Kiel asked that a motion be made to adopt R-3.2002.1 The motion was moved, seconded and approved unanimously.

The Chairman asked Mr. Nick Vesper to discuss the Indiana Postsecondary Education Financing Study 1999-00: "How Students Pay." Mr. Vesper said in 1994-95 the Commission for Higher Education put together a report which they entitled "How Students Pay" which looked at the cost of attendance, how students pay in terms of grants, scholarships, loans and institutional aid for public institutions. He said the Commission recently updated the report for the 1999-00 year and included a copy in the agenda packets. Mr. Vesper made some comparative remarks from the 1994-95 report to the 1999-00 report. He said the overall picture is that state grants have a very positive impact on how students pay for school.

With no further business, a motion was made to adjourn the meeting. The motion was seconded and carried unanimously.

State Student Assistance Commission of Indiana

By \_\_\_\_\_  
Sylvia Kiel, Chairman

By \_\_\_\_\_  
Ralph Komasinski, Secretary

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